



## **JDSU CORPORATE GOVERNANCE GUIDELINES**

### **I. Introduction – The Role of the Board of Directors**

The corporate governance practices of JDS Uniphase Corporation (the “Company”) represent the Company’s commitment to the highest standards of corporate responsibility and ethics. While the Board delegates to management the authority and responsibility for the day-to-day management of the Company’s affairs and operations, and in so doing may rely upon the advice, reports and opinions of management, counsel and external advisors, the Board ultimately must ensure that all affairs and operations are consistent with these principles. These Corporate Governance Guidelines (the “Guidelines”) outline the structure and organization through which the Board of Directors (the “Board”) discharges these responsibilities.

### **II. Structure and Operations of the Board**

#### **1. Composition and Orientation**

The Board shall be composed of individuals of the highest ethical and professional character who have demonstrated the ability to exercise sound business judgment. Directors should be highly accomplished in their respective field, with superior credentials and recognition. Directors are expected to work effectively together to further the interests of the Company, while preserving their ability to differ with each other on particular issues.

The Board will select and nominate Directors recommended by the Governance Committee for election by the stockholders and fill any interim vacancies on the Board with persons recommended by the Governance Committee. At least fifty percent of Board members will be independent Directors, as determined in accordance with the requirements of the Sarbanes Oxley Act of 2002 and the listing rules of The Nasdaq Global Select Market.

Directors whose employment, position or corporate or professional association(s) or circumstances materially change, or who, in the case of non-employee Directors, for whatever reason, may no longer be independent, shall promptly inform the Chairman in writing of such change. While it is not the sense of the Board that in every instance Directors who materially change their position or corporate or professional association(s) should necessarily leave the Board, such notification will allow the Board the opportunity to review the continued appropriateness of Board membership under such changed circumstances. If, in the judgment of a majority of the Board, such change materially impairs, or is reasonably likely to materially impair, the ability of such Director to perform his duties as a member of the Board or, in the case of a non-employee Director such Director’s independence, such Director shall resign from the Board upon the request of a majority of the Board.



Directors who reach the age of seventy-six shall retire at the next annual meeting of the Company's shareholders.

The Company will offer an orientation program to new Directors, which will include presentations providing an overview of the Company's business strategies, financial and accounting systems, risk management and internal controls, Code of Business Conduct and compliance programs, and internal and independent auditors. This orientation will include introductions to senior management and, where practicable, visits to Company facilities.

All Directors will complete in such continuing education programs as are determined by the Board and such programs as are required by rules adopted by the Securities and Exchange Commission and The Nasdaq Stock Market.

## **2. Board Chairperson**

The Board will be chaired by one member who shall be appointed by a majority of the independent Directors and who may be removed by the same vote. The Board Chairperson, in consultation with management and other Directors as appropriate, will determine the agenda and shall preside at each meeting. All Directors may propose the inclusion of such additional agenda items as they may deem necessary or appropriate.

The Chairperson shall act as the principle point of contact for the Chief Executive Officer (the "CEO") and other members of management requiring the attention of the Board and as the principle spokesperson for the Board on matters to be addressed with management, provided, however, that all Directors shall have the right and responsibility to communicate directly with management as appropriate.

## **3. Board Meetings and Access to Management**

The Board will meet at least quarterly and the independent Directors shall meet at the end of each Board meeting without the presence of management or non-independent Directors. Without limiting the foregoing, the Board may also, with the consent of a majority of the independent Directors in attendance, exclude the CEO, any Directors who are employees or any other officers or employees from a meeting at any time.

Board members shall have access to senior management and other employees with prior notification, though Board members should use appropriate judgment to ensure that such contact does not distract from the business operations of the Company. Additionally, management is encouraged to have such members of the Company's management attend meetings of the Board and Board Committees where such individuals can provide additional insight into the items being discussed because of personal involvement or knowledge in relevant areas or who



are thought to have such future potential that senior management believes exposure to the Board would be helpful to the Board or otherwise desirable.

The Board and any Committee shall have the right, without the approval of management, to engage any attorneys, accountants or other independent consultants and advisors as the Board or such Committee deems necessary and appropriate to carry out its responsibilities.

#### **4. Board Committees**

Board Committees are intended to support the Board's effective and efficient discharge of its duties, while not relieving the Board of its oversight responsibilities. Each Committee established by the Board will provide regular reports to the Board of its activities, recommendations and observations.

In addition to such Committees as may be established by the Board from time to time in its discretion, there at all times shall be at least three standing Committees including the Governance Committee, Audit Committee and Compensation Committee. Each standing Committee and, if appropriate, other Committees, shall have a Charter approved by the Board, and all such charters may be amended by the Board in its discretion exercised in a manner consistent with the Company's Articles, Bylaws, and applicable regulatory and Nasdaq listing requirements.

The Chairperson shall be an ex-officio member of each Committee of which the Chairperson is not an appointed member.

#### **5. External Advisors**

The Board and any Committee shall have the right, without the approval of management, to engage any attorneys, accountants or other independent consultants and advisors as the Board or such Committee deems necessary and appropriate to carry out its responsibilities.

#### **6. Board Self-Evaluation**

At least annually the Board will conduct a self-assessment of its performance and will take appropriate actions in response to the findings of this assessment. Generally the self-assessment will be supervised and administered by the Governance Committee, which will report the results of the self-assessment to the Board. This self-assessment will include the performance of the Board as a whole as well as each Board Committee.

### **III. Certain Board Responsibilities**

The Board shall undertake the specific tasks described below and such other tasks as the Board deems appropriate. Some or all of these responsibilities may be delegated to Board Committees except where such delegation is inconsistent with applicable law or listing requirements.

**1. Selection, Evaluation and Compensation of the Chief Executive Officer and Other Executive Officers.**

The Board shall select, evaluate, and provide advice and counsel to the CEO of the Company. In evaluating the performance of the CEO, the Board shall establish and review as often as necessary, but at least annually, criteria pursuant to which performance shall be measured. The Board also shall approve all compensation awarded to the CEO. The Board shall consult with the CEO relative to the selection and evaluation of the other executive officers of the Company and shall approve all compensation for such other executive officers. Finally, the Board shall at least annually review succession, retention and management development plans for the CEO and the Company's other executive officers.

**2. Approval of Strategic Direction and Annual Operating Plan**

The Board shall review and approve the Company's strategic direction and planning, and shall periodically monitor and evaluate the Company's performance relative to such plans. Additionally, the Board shall at least annually review and approve of the Company's annual operating plan, and monitor and evaluate the Company's performance against the objectives defined in such plans.

**3. Board Compensation**

The Compensation Committee shall at least annually review the compensation of the non-employee members of the Board and will make appropriate recommendations to the Board. In evaluating Board compensation, the Compensation Committee and the Board will consider the principles that Board members should be compensated appropriately in light of the Board's duties, responsibilities, anticipated contributions, and general demands placed upon directors of public companies. Board compensation should be competitive with appropriate benchmarks, and should be aligned with the long terms interests of the Company's shareholders. As necessary the Board shall obtain benchmark information guidance from external consultants and internal Company personnel.

**IV. Review of Corporate Governance Guidelines**

At least annually the Governance Committee and the Board shall review and as appropriate shall amend these Guidelines consistent with the principles outlined above.